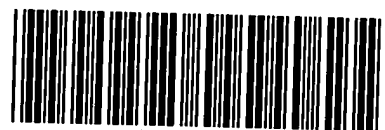

MOLECULAR PRODUCTS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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MOLECULAR PRODUCTS LIMITED

COMPANY INFORMATION

Directors	C Bernert J W Radstaak J T Rhudy (resigned 12 May 2023) K Reinke B C Smith
Company secretary	L J Keilthy
Registered number	02721125
Registered office	Parkway Harlow Business Park Harlow Essex CM19 5FR

MOLECULAR PRODUCTS LIMITED

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MOLECULAR PRODUCTS LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

Introduction

The principal activities during the year were those of Air Purification involving Research and Development, manufacture, sales and marketing of life critical respiratory devices and gas purification technology.

The comparatives are for a 12 month period to 31 December 2022.

Business review

As expected the Company has seen a decline in 2023 compared to 2022 with a full year turnover of £ 18.93M and £ 3.78M operating profit. 2023 revenue was a decrease of 15% compared to the prior 12 months, from both the O2 Generator and CO2 businesses. The Company reports a profit before tax of £ 4.08m.

Looking forward the Company believes that the prospects for 2024 will be good compared to 2023. The O2 & CO2 product categories will continue to be a focus area for the business as we look towards new product development and increased market penetration.

Principal risks and uncertainties

The Directors review and agree policies for managing each of the Business' principal risks and uncertainties and are involved in the day-to-day management and review of these risks in accordance with agreed policies. The Company uses various financial instruments to manage working capital which includes cash, trade debtors and trade creditors that arise directly from its operations. The existence of these financial instruments exposes the Company to several financial risks with the key risks being set out below:

Liquidity and cash flow

The Company's principal financial assets are trade debtors. In managing these, management set limits for customers based on a combination of third-party credit references and payment history. Most new customers provide letters of credit or advance payments. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

Currency risk

The Company is exposed to translation and transaction foreign exchange risk. During the year to 31 December 2023 33% (December 2022: 47%) of the Company's sales were to customers outside the United Kingdom priced in foreign currency. These sales are priced in US Dollars, Euros and Australian dollars. In addition, a small proportion of its purchases are in foreign currency. Transaction exposures are reduced by matching foreign currency purchases to outstanding debtor balances, the residue is converted into Sterling at prevailing rates. The use of financial instruments, such as forward currency contracts and options, was not used in the current financial year.

Research & development

The Company continued to invest in new product research and development projects during the current year. The Company believes new products are one of the pillars of sustained growth and profitability and will continue to invest in research and development over the coming year.

MOLECULAR PRODUCTS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Key Performance Indicators ('KPIs')

The key metrics used by the company during the year as indicators of the business performance were considered below:

- Sales and Gross Margin; Actual performance measured against the previous year's performance.
- Earnings before interest, taxes, depreciation, and amortisation; actual performance as measured against the previous year's performance.


Future developments

The development of Rugged Oxygen Generator (ROG) continues with the intention to be released in 2024. Development of specific CO2 products continues.

Environment

The Company seeks to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety, and economic issues. The Company has complied with all applicable legislation and regulations.

This report was approved by the board and signed on its behalf.

DocuSigned by:

924A28F190EC4A9.....
B C Smith
Director

Date: 26-08-2024 | 07:46 PDT

MOLECULAR PRODUCTS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

The directors present their report and the financial statements for the year ended 31 December 2023.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £3,096,221 (2022 - £3,512,721).

The directors have paid a dividend of £nil (2022: £nil).

Directors

The directors who served during the year were:

C Bernert
J W Radstaak
J T Rhudy (resigned 12 May 2023)
K Reinke
B C Smith

MOLECULAR PRODUCTS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Going concern

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future. For this purpose, the foreseeable future is deemed to consist of at least the twelve months following the issuance of the financial statements.

The directors have prepared cash flow forecasts for the period of at least 12 months from the date of approval of these financial statements which indicate that taking account of reasonably possible downsides, the company will have sufficient funds, through its bank balances, and funding from either its ultimate parent company, Filtration Group Corp, or other subsidiary group companies, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on either Filtration Group Corp, or other subsidiary group companies, not seeking repayment of the amounts currently due to the group, which at 31 December 2023 amounted £ 1.54m and providing additional financial support during that period.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Political contributions

The Company made no political donations or incurred any political expenditures during the year (2022: £nil)

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.


Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, Hillier Hopkins LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

DocuSigned by:

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B C Smith
Director

Date: 26-08-2024 | 07:46 PDT

MOLECULAR PRODUCTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOLECULAR PRODUCTS LIMITED

Opinion

We have audited the financial statements of Molecular Products Limited (the 'Company') for the year ended 31 December 2023, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

MOLECULAR PRODUCTS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOLECULAR PRODUCTS LIMITED
(CONTINUED)**

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

MOLECULAR PRODUCTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOLECULAR PRODUCTS LIMITED
(CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the nature of the industry and sector, control environment and business performance including the remuneration incentives and pressures of key management;
- the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. We consider the results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and relevant tax legislation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial

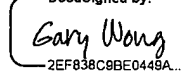
MOLECULAR PRODUCTS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOLECULAR PRODUCTS LIMITED
(CONTINUED)

Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:


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Gary Wong BFP FCA (Senior Statutory Auditor)
for and on behalf of

Hillier Hopkins LLP
Chartered Accountants
Statutory Auditor
Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

Date: 30-08-2024 | 16:40 BST

MOLECULAR PRODUCTS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 £	2022 £
Turnover	4	18,932,697	22,376,077
Cost of sales		(10,022,808)	(12,654,870)
Gross profit		8,909,889	9,721,207
Distribution costs		(1,185,757)	(1,442,778)
Administrative expenses		(3,944,905)	(3,914,274)
Operating profit	5	3,779,227	4,364,155
Interest receivable and similar income	9	305,069	55,383
Interest payable and similar expenses	10	-	(1,083)
Profit before tax		4,084,296	4,418,455
Tax on profit	11	(988,075)	(905,734)
Profit for the financial year		3,096,221	3,512,721

There was no other comprehensive income for 2023 (2022: £NIL).

The notes on pages 13 to 28 form part of these financial statements.

MOLECULAR PRODUCTS LIMITED
REGISTERED NUMBER: 02721125


BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	12	202,014	543,775
Tangible assets	13	1,833,428	2,083,189
		<u>2,035,442</u>	<u>2,626,964</u>
Current assets			
Stocks	14	1,646,116	1,853,029
Debtors: amounts falling due within one year	15	14,132,874	9,130,765
Cash at bank and in hand	16	5,931	1,284,656
		<u>15,784,921</u>	<u>12,268,450</u>
Creditors: amounts falling due within one year	17	(4,626,730)	(4,780,869)
Net current assets		<u>11,158,191</u>	<u>7,487,581</u>
Total assets less current liabilities		<u>13,193,633</u>	<u>10,114,545</u>
Provisions for liabilities			
Deferred tax	18	(275,198)	(292,331)
		<u>(275,198)</u>	<u>(292,331)</u>
Net assets		<u><u>12,918,435</u></u>	<u><u>9,822,214</u></u>
Capital and reserves			
Called up share capital	19	836,051	836,051
Share premium account	20	29,730	29,730
Capital contribution	20	1,644,552	1,644,552
Profit and loss account	20	10,408,102	7,311,881
		<u>12,918,435</u>	<u>9,822,214</u>

MOLECULAR PRODUCTS LIMITED
REGISTERED NUMBER: 02721125

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2023

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

.....924A28F190EC4A9.....
B C Smith
Director

Date: 26-08-2024 | 07:46 PDT

The notes on pages 13 to 28 form part of these financial statements.

MOLECULAR PRODUCTS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Called up share capital £	Share premium account £	Capital contribution £	Profit and loss account £	Total equity £
At 1 January 2022	836,051	29,730	1,644,552	3,799,160	6,309,493
Comprehensive income for the year					
Profit for the year	-	-	-	3,512,721	3,512,721
At 1 January 2023	836,051	29,730	1,644,552	7,311,881	9,822,214
Comprehensive income for the year					
Profit for the year	-	-	-	3,096,221	3,096,221
At 31 December 2023	836,051	29,730	1,644,552	10,408,102	12,918,435

The notes on pages 13 to 28 form part of these financial statements.

MOLECULAR PRODUCTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. General information

Molecular Products Limited is a private company incorporated, domiciled and registered in England in the UK. The registered number is 02721125 and the registered address is Parkway, Harlow Business Park, Harlow, Essex, CM19 5FR.

The principal activities during the year were those of Air Purification involving Research and Development, manufacture, sales and marketing of life critical respiratory devices and gas purification technology.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The Company's parent undertaking, Molecular Products Group Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Molecular Products Group Limited are prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and are available to the public and may be obtained from Parkway, Harlow Business Park, Harlow, Essex, CM19 5FR. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation

The following principal accounting policies have been applied:

MOLECULAR PRODUCTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.2 Going concern

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future. For this purpose, the foreseeable future is deemed to consist of at least the twelve months following the issuance of the financial statements.

The directors have prepared cash flow forecasts for the period of at least 12 months from the date of approval of these financial statements which indicate that taking account of reasonably possible downsides, the company will have sufficient funds, through its bank balances, and funding from either its ultimate parent company, Filtration Group Corp, or other subsidiary group companies, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on either Filtration Group Corp, or other subsidiary group companies, not seeking repayment of the amounts currently due to the group, which at 31 December 2023 amounted £1.54m and providing additional financial support during that period.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2.3 Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.4 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

MOLECULAR PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.5 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- whether the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instruments so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

2.6 Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

interest-bearing borrowings classified as basic financial instruments

interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

MOLECULAR PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 10-20% straight line
Fixtures and fittings	- 10-33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.8 Intangible assets and goodwill

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life including projects and software. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

2.9 Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

MOLECULAR PRODUCTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.10 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2.11 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue is recognised at the time of significant risk and reward of ownership passes to the customer, as the majority of the company's sales are on an ex-works basis the company recognises revenue at the time of dispatch. However from time to time different eco terms are used depending on the customer's requirement.

MOLECULAR PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.12 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and interest payable

Interest payable and similar expenses include interest payable, finance expenses on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to prepare for use, are capitalised as part of the cost of that asset/are expensed as incurred.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividend on shares recognised as liabilities are recognised as expenses and classified within interest payable.

Research and development

The company expenses its research and development expenditure fully in the year of expenditure.

Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

MOLECULAR PRODUCTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.13 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to the tax payable in respect of previous years.

Deferred tax is provided on timing differences which arises from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expenses are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events which are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future which will seldom equal actual results. There are no significant accounting estimates or areas of judgement that the Company needs to disclose.

4. Turnover

The whole of the turnover is attributable to the principal business activity.

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	4,449,077	4,804,153
Rest of Europe	6,203,023	5,208,341
Rest of the world	8,280,597	12,363,582
	<u>18,932,697</u>	<u>22,376,076</u>

MOLECULAR PRODUCTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

5. Operating profit

The operating profit is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation of tangible assets	448,953	668,912
Amortisation of intangible assets	236,868	159,773
Research and development expenditure	30,325	47,332
Auditor's remuneration	51,000	47,000
Operating lease rentals - plant and machinery	38,634	21,819
Operating lease rentals - property	456,500	456,500
Defined contribution pension cost	183,844	277,575
Other operating lease rentals	101,979	(60,453)
	<u>4,407,193</u>	<u>(4,407,193)</u>

6. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor:

	2023	2022
	£	£
Fees payable to the Company's auditor for the audit of the Company's financial statements	51,000	47,000
	<u>51,000</u>	<u>47,000</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

MOLECULAR PRODUCTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

7. Employees

Staff costs were as follows:

	2023 £	2022 £
Wages and salaries	3,867,748	4,296,053
Social security costs	394,263	396,886
Cost of defined contribution scheme	183,844	183,300
	<u>4,445,855</u>	<u>4,876,239</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2023 No.	2022 No.
Manufacturing, marketing and distribution	67	66
Administration and development	24	23
	<u>91</u>	<u>89</u>

8. Directors' remuneration

The directors did not receive any remuneration for the year ended 31 December 2023 and 2022 as their services to the company are merely incidental to their services to other group companies.

9. Interest receivable

	2023 £	2022 £
Interest receivable from group companies	305,069	55,383
	<u>305,069</u>	<u>55,383</u>

10. Interest payable and similar expenses

	2023 £	2022 £
Interest payable on loan from group undertakings	-	1,083
	<u>-</u>	<u>1,083</u>

MOLECULAR PRODUCTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

11. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	1,005,208	870,216
	<u>1,005,208</u>	<u>870,216</u>
Total current tax	<u>1,005,208</u>	<u>870,216</u>
Deferred tax		
Origination and reversal of timing differences	(17,133)	35,518
Total deferred tax	<u>(17,133)</u>	<u>35,518</u>
Taxation on profit on ordinary activities	<u>988,075</u>	<u>905,734</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - *higher than*) the standard rate of corporation tax in the UK of 23.52% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	4,084,296	4,418,455
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.52% (2022 - 19%)	960,626	839,506
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	640	861
Capital allowances for year in excess of depreciation	-	37,794
Utilisation of tax losses	(1,598)	(13,580)
Loss on disposal of fixed assets	-	5,691
Other timing differences leading to an increase (decrease) in taxation	23	(90)
Changes in provisions leading to an increase (decrease) in the tax charge	28,384	34
Deferred tax	-	35,518
Total tax charge for the year	<u>988,075</u>	<u>905,734</u>

MOLECULAR PRODUCTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

11. Taxation (continued)

Factors that may affect future tax charges

There are no factors affecting the future tax charge.

12. Intangible assets

	Goodwill £	Projects £	Software £	Total £
Cost				
At 1 January 2023	38,198	391,305	568,535	998,038
Additions	-	-	38,770	38,770
Transfers between classes	-	54,043	(6,059)	47,984
Disposals	-	-	(37,715)	(37,715)
At 31 December 2023	<u>38,198</u>	<u>445,348</u>	<u>563,531</u>	<u>1,047,077</u>
Amortisation				
At 1 January 2023	38,198	72,744	343,321	454,263
Charge for the year on owned assets	-	99,883	136,985	236,868
On disposals	-	-	(2,829)	(2,829)
Transfers between classes	-	160,559	(3,798)	156,761
At 31 December 2023	<u>38,198</u>	<u>333,186</u>	<u>473,679</u>	<u>845,063</u>
Net book value				
At 31 December 2023	<u>-</u>	<u>112,162</u>	<u>89,852</u>	<u>202,014</u>
At 31 December 2022	<u>-</u>	<u>318,561</u>	<u>225,214</u>	<u>543,775</u>

MOLECULAR PRODUCTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

13. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 January 2023	9,265,266	1,636,422	10,901,688
Additions	35,353	55,062	90,415
Transfers between classes	179,768	(227,118)	(47,350)
At 31 December 2023	<u>9,480,387</u>	<u>1,464,366</u>	<u>10,944,753</u>
Depreciation			
At 1 January 2023	7,368,629	1,449,870	8,818,499
Charge for the year on owned assets	372,108	76,845	448,953
Transfers between classes	105,266	(261,393)	(156,127)
At 31 December 2023	<u>7,846,003</u>	<u>1,265,322</u>	<u>9,111,325</u>
Net book value			
At 31 December 2023	<u>1,634,384</u>	<u>199,044</u>	<u>1,833,428</u>
At 31 December 2022	<u>1,896,637</u>	<u>186,552</u>	<u>2,083,189</u>

14. Stocks

	2023 £	2022 £
Raw materials, Work in Progress and Finished Goods	<u>1,646,116</u>	<u>1,853,029</u>

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £6.1m (2022: £4.1m). The cost of inventories recognised as an expense includes £nil (2022: £nil) in respect of write downs of inventory to net realisable value and £113,639 (2022: £246,885 increase) in respect of increase in stock provision. The write-down and reversal are included in cost of sales.

MOLECULAR PRODUCTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

15. Debtors

	2023 £	2022 £
Trade debtors	2,354,489	3,209,339
Amounts owed by group undertakings	11,515,181	5,546,607
Other debtors	47,628	77,692
Prepayments and accrued income	215,576	165,848
Tax recoverable	-	131,279
	<u>14,132,874</u>	<u>9,130,765</u>

16. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	5,931	1,284,656
	<u>5,931</u>	<u>1,284,656</u>

17. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	1,879,348	2,171,725
Amounts owed to group undertakings	1,544,943	577,705
Corporation tax	142,606	870,216
Other taxation and social security	114,174	106,102
Other creditors	405	47,896
Accruals and deferred income	945,254	1,007,225
	<u>4,626,730</u>	<u>4,780,869</u>

The amounts owed to group undertakings are repayable on demand.

MOLECULAR PRODUCTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

18. Deferred taxation

	2023 £	2022 £
At beginning of year	(292,331)	(256,813)
Charged to profit or loss	17,133	(35,518)
At end of year	(275,198)	(292,331)

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(292,331)	(288,515)
Short term timing difference	17,133	(3,816)
	(275,198)	(292,331)

MOLECULAR PRODUCTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

19. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
836,051 (2022 - 836,051) Ordinary shares shares of £1.00 each	836,051	836,051

20. Reserves

Share premium account

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium.

Capital contribution

The capital contribution reserve represents a distribution from an equity investor.

Profit and loss account

Includes all current and prior period retained profit and losses.

21. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £183,844 (2022 - £277,575). Contributions totaling £nil (2022 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

MOLECULAR PRODUCTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

22. Commitments under operating leases

At 31 December 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Other		
Not later than 1 year	38,634	38,634
Later than 1 year and not later than 5 years	108,740	147,015
Later than 5 years	-	359
	147,374	186,008
	2023	2022
	£	£
Land and buildings		
Not later than 1 year	456,500	456,500
Later than 1 year and not later than 5 years	1,150,630	1,607,130
	1,607,130	2,063,630
	2023	2022
	£	£

23. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard No 102 "Related party disclosures" from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

24. Controlling party

The Company is a subsidiary undertaking of Molecular Products Group Limited. The ultimate controlling party is Filtration Group, Inc, incorporated at Filtration Group Corp, 600 West 22nd Street Suite 300, Oak Brook, Chicago, IL 60523, USA., by virtue of their majority shareholding.

The smallest group into which the Company's accounts are consolidated is headed by Molecular Products Group Limited, the Company's parent company.